

To: Lottery CEO's, IALS Members, Marketing Directors,
PR/Communications Directors

Public Gaming Research Institute Inc.'s

INTERNATIONAL MORNING REPORT

Your weekly supplement to
Public Gaming International Magazine
September 16, 2002

GOLDEN BIRTHDAY. Happy Golden Birthday to the Wisconsin Lottery, which turned 14 on September 14th! The celebration included a birthday party at a popular retailer with Wisconsin football fans as guests, the \$1 "Big Moola Party" scratch ticket featuring a 68% prize payout, and a limited time offer on Wisconsin's Very Own Megabucks jackpot game that offers 2 extra plays when a player purchases a \$5 ticket.

POWERBALL BREAKS \$100 MILLION. As of Friday, September 13, Powerball passed the century mark and may continue to grow. The \$100 million mark is usually a sure sign that sales will skyrocket.

SCEL FILMS FOR POWERBALL. A film crew was be in Columbia, South Carolina on September 10, 2002 shooting footage that will be incorporated into the first series of Powerball commercials for the South Carolina Education Lottery. The television spots are scheduled to air statewide starting September 23. Powerball will officially launch October 5.

LIONEL LAUNCHES IN JERSEY. The New Jersey Lottery launched Lionel® Cash Express last week. The MDI licensed instant lottery game featuring the famous Lionel company logo and other imagery associated with the renowned manufacturer of classic model trains for over 100 years. The game features 5.4 million \$2 tickets and gives lottery players the opportunity to win cash prizes of up to \$30,000. Players can also enter the Lionel Cash Express Second Chance Drawings to win Lionel Prize Packs. In addition to the 1,110 prize packs, players can win one of ten North American Rail Dream Trip Grand Prizes. The New Jersey Lottery is the first to introduce a Lionel licensed game through MDI.

PA SHOWS HALLOWEEN SPIRIT. With Halloween creeping around the corner, the Pennsylvania Lottery is introducing Jack O' Lantern Loot, a \$5 instant ticket game with a top prize of \$31,000, on September 17th. The game features seasonal designs - carved pumpkins, haunted houses, witches' hats, spiders - with

four separate games on each ticket and nine chances to win.

MILLION DOLLAR BONUS. Virginians have won three Lotto South jackpots since that game was introduced in September 2001. All three winners have received a \$1 million bonus in addition to the jackpot. The bonuses have been funded with money left over from the last Lotto Virginia jackpot, which was never won. There is one million-dollar bonus remaining.

WASHINGTON ENHANCES WEBSITE. The Washington Lottery's new enhanced Web site www.walottery.net now contains the latest Mega Millions news, as well as game information and dozens of links to other lottery-related site, including the official Mega Millions Web site.

SCEL DRAWING NOT AIRED ON 9/11. The South Carolina Education Lottery did not air a live drawing on September 11th. The drawing was held at the normal time, 6:59 p.m., but was not aired in order to allow coverage of the 9/11 anniversary to continue. Instead, stations scrolled the winning numbers across the screen during programming.

PA STORES RECOGNIZED FOR POWER FIRSTS. On June 27, 2002, the Sheetz store in Carmichaels, Green County, made Pennsylvania Lottery history when it sold the state's first Powerball ticket. A Harrisburg 7-11 also made history when it sold the state's first Powerplay option Powerball ticket. To congratulate the stores, the PA Lottery made an employee presentation of specially printed T-shirts inscribed with the words "We sold the first Powerplay ticket!" and "We sold the first Powerplay ticket!" In addition to the presentation, a special Powerball / PowerPlay ticket promotion was offered to Pennsylvania Lottery players, but only at the Sheetz location in Carmichaels. Players that "powered up" their \$5 Powerball ticket purchase received a \$3 Powerball the Game Show instant ticket absolutely free.

GO FIGURE. The New York Lottery drew the numbers 9-1-1 in their evening numbers draw on September 11th, on the first anniversary of the terrorist attacks on the World Trade Center.

TN ANTI-LOTTERY THROWS A PUNCH. Tennessee Baptist leaders rolled out the big guns against a state lottery recently. They jammed two large trucks with 3.2 million anti-lottery church bulletin inserts aimed at convincing people that State Lotteries take advantage of the poor and is responsible for several societal problems. The goal: motivate the anti-lottery minority to get to the polls on November 5th.

MD BRINGS ON THE BOOP. The Maryland Lottery launched Betty Boop, an MDI licensed instant lottery game featuring logos and other imagery associated with animation's first leading lady. The game features 3 million tickets. Each ticket costs \$1 and gives lottery players the opportunity to win cash prizes of up to

\$1,000. The Maryland Lottery game brings the total number of Betty Boop licensed lottery games to eight.

LOTTERY PROMO IN VIETNAMESE. Rimpac Resources launched an Internet Lottery promotional web site in Vietnamese. The Company is positioning strategically to begin marketing and promoting its Internet Lottery brand to one of the fastest economically growing countries in the world. The web portal now offers English, Spanish and Vietnamese to visitors seeking more information about the upcoming Internet Lottery launch. Thousands of visitors from over 50 countries have signed up via email to be notified of the inaugural draw.

KISMAT LOTTO LAUNCHES SITE. The Meghalaya State Lottery 'Kismat Lotto' launched a new results and information website for the Kismat Lotto at <http://www.mykismat.com>. All draw information starting September 5th can be accessed immediately after each draw. Applications to become a Lotto agent are also available on the site.

LIBANAISE DES JEUX TAKES OVER. The Lebanese Lottery did not conduct its weekly lottery draw on September 5th due to a "changing of the guard." Libanaise des Jeux is now the official operator of the Lottery, and conducted its first drawing on September 12th.

NEW ZEALAND SEEKS NEW CEO. A recruiting agency will be appointed this week to begin the search for a new NZ Lotteries Commission CEO. It is hoped the successful candidate would start work early next year. While a salary level has not been set for the position, the former CEO, Ariane Burgess was reportedly paid around \$270,000. Commission chairman Kerry Marshall said there was likely to be a high "at risk" performance-based element in the package. The Lottery has had declining sales for some time now.

YUGOLOT AND SUPER LOTTO SPONSOR TOURNAMENT. "Super Lotto", the new numerical game of Lottery of Belgrade, was among the sponsors of the 12th FINA Men's Water Polo World Cup that was held in Belgrade from 20th to 25th August 2002. The tournament was the first major international sport event that took place in Serbia after a long period of internal instability and regional conflicts. Yugolot (a division of Intralot), while expanding its agreement with the Lottery of Belgrade has undertaken the marketing support of the games among other services. In this context, the "Super Lotto" was sponsor of a great event like the 12th FINA Water Polo World Cup as part of a very successful advertising campaign.

COMPANY ANNOUNCEMENTS

PROMO-TRAVEL SIGNS SONY'S PYRAMID. Promo-Travel International, Inc., has signed an agreement with

SONY Pictures to promote the new Pyramid® TV game Show to state lotteries. SONY is reintroducing the popular game show this fall on network television as "Pyramid," starring Donny Osmond. Media tie-ins and promotional opportunities will result from the visibility generated from the excitement of the new television show.

INTERLOTT ANNOUNCES REPURCHASE. Interlott's Board of Directors has authorized the repurchase of up to 400,000 shares, or approximately 6 percent, of the company's 6.5 million shares of outstanding common stock, over the next 12 months. The company will use its discretion on the timing of purchases based on market conditions and the company's capital requirements. Under the terms of the repurchase plan, the company may make purchases in the open market or in privately negotiated transactions.

OREGON EXTENDS GTECH. GTECH signed a five-year contract extension with the Oregon State Lottery to provide video lottery software development services and technical support. The contract extension, which exercised all the extension options permitted under the original contract, is expected to commence on October 5, 2003, and expire on October 4, 2008. Under the contract extension, GTECH will continue to provide the Oregon State Lottery with software services and technical support for its video lottery operations. With respect to its contract extension with the Lottery, GTECH expects to generate revenues of approximately \$9 million.

SPORTS LOTTO: COMBINING SPORT, TV AND LOTTERY. Sports Lotto, a spin-off company from SA media pioneer Imagination Entertainment, has developed technology that combines three great loves of today's world - sport, TV and lotteries. The Sports Lotto game is played during a TV-broadcast event. Lotto numbers are drawn according to the time of pre-determined activities using a computerized clock synchronized with the match clock. The last two sub-seconds become one of the numbers needed to win the draw, so if it stops at 01:50:48:27 then 27 becomes the number to be "drawn". Initial test runs of the program proved to be successful.

OGT HONORS NEBRASKA. OGT presented their annual "Winning Partnership" award to the Nebraska Lottery during the Lottery's Sales Meeting on September 12, 2002. The award is recognition for being the Oberthur client who achieved the highest growth in instant ticket sales from one year to the next. The Nebraska Lottery's instant sales increased an impressive 14% in FY 2002.

Submit material for next week's Morning Report by Wednesday of this week to Toddpgr2@aol.com